Factbook Diversity

Positions, Numbers, Arguments

About the Factbook Diversity

Would you like to know more about diversity in the context of business culture? You are looking for current numbers on this subject? Or even concrete examples of how companies and institutions implement diversity?

The **Diversity Factbook** offers first steps and the most important facts. If you would like to know more, we have provided further detailed information for you.

Current information on studies and research related to diversity can be found here:

- LinkedIn-Profil
- www.charta-der-vielfalt.de
- Twitter-channel
- Facebook presence of the association

You will find more information about the 8th German Diversity Day on May 26th, 2020: www.deutscher-diversity-tag.de/en

Since 2018 the DIVERSITY CHALLENGE competition for young professionals has been taking place. Sign up for our newsletter to be informed about the upcoming dates in 2020!

Please send any suggestions to presse@charta-der-vielfalt.de.

About the Factbook Diversity

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1. What is Diversity about?

1.1. The concept of diversity

Diversity means variety

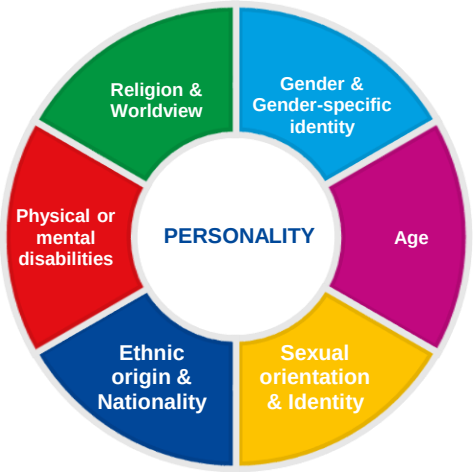
Science defines the term **diversity** in numerous ways: variety, diverseness, multiplicity, and others.

In relation to the **business context** of companies and institutions, the term is used to refer to the **similarities and differences of the workforce** based on individual personality traits as well as lifestyles choices.

Diversity includes both **visible** and **invisible characteristics**, those determine individual opinions, perspectives, attitudes and thus the actions of people.

1.2. The Diversity Dimensions

Core dimensions, external & organisational dimensions



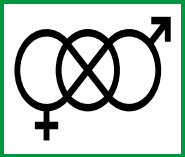
When looking for differences and similarities between people, **six core dimensions** can be found that are most associated with the personality of an individual: the inner diversity-dimensions.

Diversity management further includes **external dimensions**, such as social background, marital status, work experience, income or leisure behaviour, and others. Further **organisational dimensions** can be added: union membership, department, work content / fields, and others.

The complete diagram can be found here: https://www.charta-der-vielfalt.de/en/understanding-diversity/diversity-dimensions/

1.2. The Diversity Dimensions

Gender & Gender-specific identity



GENDER & GENDER-SPECIFIC IDENTITY

Which gender someone identifies as, does not only depend on their **biological gender**, but also on their **gender identity**. It is an advantage for the organisations, if inclusion is practiced by giving same chances and possibilities to all variations of identities and genders. Only those who feel accepted as human beings can fully live up to their **potential**. This can be best achieved in a work climate of unprejudiced acceptance.

It is necessary to identify filters in human resource policies that cause the “glass ceiling” phenomenon. This means that qualified women are less likely to hold top management positions. Men should have equal access to family-friendly time models.

Example: Käfer GmbH und Co., METRO Group

Background information and studies

1.2. The Diversity Dimensions

Gender & Gender-specific identity

95 % of companies select women as the main focus group of their diversity implementations and **80 %** exclusively focus on **policies for women**.

Gender-Pay-Gap

In Germany women earn **around 21 % less than men**. This so called „Gender-Pay-Gap“ occurs due to the fact that women receive a lower salary in equivalent jobs and work more often than men in poorly paid jobs.

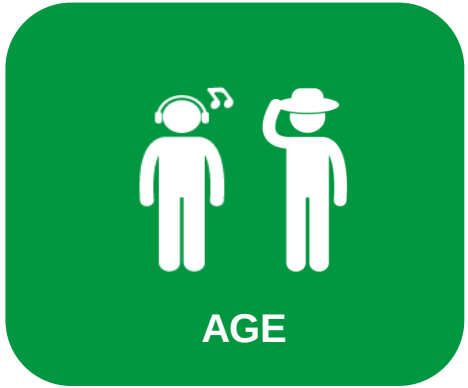
Source: Roland Berger Strategy Consultants (2012): Diversity & Inclusion
Tagesschau (2019): Wie hoch ist der Gender Pay Gap wirklich?

Diversity-measures gender (examples):

- Recruiting and promotion should be gender-neutral
- Mixed-gender teams (at least 30 % women or men)
- Management training with a focus on unconscious-bias

1.2. The Diversity Dimensions

People of different ages can learn from each other



Life expectancy is increasing in most countries around the world, while the population in Germany is shrinking. The dimension “Age” plays a major role for organisations in Germany, especially because of demographic change. Currently up to **five different generations** are working together - therefore it is necessary to support human resources for a more effective intergenerational teamwork. The challenge is to retain experience and professional knowledge of employees through knowledge management and lifelong learning, as it has to be constantly renewed (professional knowledge is out of date within 2 to 10 years).

It is important to take advantage of the **opportunities based on knowledge of employees of different ages** and to maintain employee performance until retirement.

Example: Daimler AG, Deutsche Bahn AG

Background information and studies; Dossier: JUNG – ALT – BUNT

1.2. The Diversity Dimensions

People of different ages can learn from each other

DEUTSCHER DIVERSITY TAG 2020
charta der vielfalt

Gefördert durch: Bundesministerium für Arbeit und Soziales | IQ Netzwerk Integration durch Qualifizierung

+82 %

Between 2006 and 2017, the employment rate of 60 to 64 year-olds rose by 28 %, from 30 % to 58.4 %.

Source: Statistisches Bundesamt (2017): Erwerbstätigkeit älterer Menschen nimmt immer weiter zu, Arbeitsmarkt (2018, S. 364).

Diversity-measures age (examples):

- Set up age-appropriate working conditions
- Conduct mentoring or knowledge transfer programmes
- Offer flexible working models
- Bring mixed-aged groups of colleagues together in teams
- Introduce health management

1.2. The Diversity Dimensions

Employees are more motivated when their sexual orientation and identity are accepted

Whether bisexual, heterosexual, homosexual or queer - an open working atmosphere with regard to sexual orientation and gender identity means that employees do not have to hide an important part of their personality.

Applicants see LGBTIQ engagement as an **indicator for the openness of the business culture**. In many companies the invisible dimension of sexual orientation is made visible through networks.

LGBTIQ: The six letters stand for lesbian, gay, bisexual, transsexual, intersexual and queer.

Example: Deutsche Bahn, BTU Cottbus - Senftenberg

Background information and studies

1.2. The Diversity Dimensions

Employees are more motivated when their sexual orientation and identity are accepted

12 %

of all homosexuals appear openly gay in professional life.

Diversity-measures sexual orientation (examples):

- Initiate LGBTIQ-networks
- Equal partnerships (e.g. retirement benefits, free account management)
- Carry out general surveys to identify possible discrimination

Source: Völklinger Kreis (2015): Diversity Management in Deutschland

1.2. The Diversity Dimensions

Clever minds from diverse nations, cultures and ethnic groups reach a new audience

ETHNIC ORIGIN & NATIONALITY

Bringing people from diverse cultural backgrounds together as a team is an **important challenge** for organisations in the competition for customers, markets and clever minds.

The language and culture skills of the workforce can be **the key to new markets**. In this way, new customer groups can be addressed, new talents can be won. Even the attractiveness of the company for investors can be increased at the stock market. An **impartial work environment** is a necessary requirement.

Example:
Berliner Wasserbetriebe, Robert Bosch GmbH

Background information and studies

1.2. The Diversity Dimensions

Companies benefit economically from diversity

43 %

Companies with an **ethnical and cultural diverse board of directors** raise the probability for **higher profits** by 43 %.

In addition, diverse teams can better address **new profitable markets**.

Source: McKinsey&Company (2018): Delivering through Diversity

Diversity-measures ethnic origin & nationality (examples):

- Form diverse teams
- Prepare executive managers
- Offer intercultural trainings
- Initiate intercultural networks
- Introduce Tandem-Culture-Dialogues
- Promote job opportunities internationally
- Promote language training

1.2. The Diversity Dimensions

Focus on talent

People with **physical or mental disabilities** are often equated with reduced productivity in the work process.

Diversity measures can help to focus on **talent** rather than employees' deficits. Especially, in times of demographic change, this is promising - and very much needed.

It is about optimising the work processes in organisations, for example through **barrier-free workplaces**. The change in performance in different phases of one's life and the thereby necessary adjustments of workplaces adapted to the respective capabilities play a significant role.

Example: AfB gemeinnützige GmbH, SAP SE

Background information and studies

1.2. The Diversity Dimensions

Focus on talent

1 von 9

10.2 million people in Germany have a physical or mental disability, 7.5 million of them are severely disabled. Hence every ninth person has a disability and every eleventh has a severe disability.

Although, on average the unemployed who are severely disabled are somewhat better qualified than the unemployed who are not severely disabled, they often have worse prospects on the job market.

DiverSophia (2016): Der Diversity Monitor mit allem Wissenswerten rund um Vielfalt.

Diversity-measures physical or mental disabilities (examples):

- Set up barrier-free workplaces
- Cooperate with organisations focussing on disability
- Support young people with severe disabilities during their education
- Promote specific talents of all people

1.2. The Diversity Dimensions

Respect for different religions

Employees have diverse religious beliefs and worldviews. Employers should have an understanding and **respect for religious traditions and practices** as they are an important expression of personality.

Therefore, the aim is not to convince employees of religious points of view, but to take into account the different religious customs or worldviews in the team.

Example: Fraport AG

Background information and studies

1.2. The Diversity Dimensions

Respect for different religions

DEUTSCHER DIVERSITY TAG 2020
charta der vielfalt

Gefördert durch: Bundesministerium für Arbeit und Soziales | IQ Netzwerk Integration durch Qualifizierung

73 %

Three quarters of the signatories who took part in the survey still see a need for action to make religion a visible dimension of diversity. On a national scale, less than half of all companies agree.

Diversity-measures religion & worldview (examples):

- Consider religious holidays, e.g. when planning vacations or important meetings
- Adapt the canteen offer to different religious customs and tastes
- Set up multifaith spaces
- Use a cross-cultural calendar

Source: Charta der Vielfalt und EY (2016): Diversity in Deutschland. Studie anlässlich des 10-jährigen Bestehens der Charta der Vielfalt.

1.3. Historical development

From the United States to Germany

- The process of recognising diversity in the society began in the United States in the 1960s.
- The concept of diversity has evolved from civil right-, homosexual- and feminist-movements which protested against discrimination and called for more equal opportunities.
- From the mid-1980s, the concept of diversity acquired an economic as well as a political function.

Source: Kaiser-Nolden, Eva (2008): Diversity Management im Internationalen Vergleich. In: Die Beauftragte der Bundesregierung für Migration, Flüchtlinge und Integration (Hrsg.): Vielfalt als Chance.

The United States legally strengthens equality

1964: Discrimination based on skin colour, religion, gender or origin is prohibited in public institutions, the government and the working environment.

1965: Companies that apply for public mandates can not discriminate anyone on the basis of their gender, skin colour, origin, disability, race, age and sexual orientation. The implementation of supporting minorities becomes mandatory (e.g. through accession rate).

1.3. Historical development

1990s: The idea of diversity comes to Germany

Large American corporations, with locations in Germany, **import** the concept of diversity.

Pioneers are companies such as IBM, Ford, McDonald's, P&G and Hewlett-Packard.

The first professional articles on diversity management are published and conferences take place.

In Germany, it is primarily Deutsche Bank, Lufthansa and Daimler that are the first to focus on diversity management.

2. What is Diversity Management?

2. What is Diversity Management?

Diversity Management as a factor of success

Recognising, promoting and appreciating the diversity of the workforce as a success factor - and thereby **increasing economic success** - is the basic idea of Diversity Management.

The aim is to align (human resource) processes and structures of organisations in such a way that all employees are valued and motivated to use their potential for the benefit of the organisation.

The diversity of staff should affect **all business areas** and be usable for sales markets, customer groups, products, suppliers and other business partners.

2. What is Diversity Management?

Diversity and inclusion go together

Diversity within the workforce is already recognised as an asset by a large number of employers. But how can you further value diversity along the organisational goals and **promote and include** them more effectively?

"Inclusion" includes all measures that are intended to promote an inclusive corporate and organisational culture. It is crucial, that the focus is not on individual target groups, but on employees of **all diversity dimension**. Diversity and inclusion therefore belong together.

2.1. The benefits of Diversity Management

Many arguments support Diversity Management

Innovation: Diversity sparks.
Diversified teams develop more creative ideas and solutions. They bring together different perspectives that often lead to faster results and innovative products.

Staff: Diversity binds.
Companies and organisations that focus on diversity increase their amenity towards applicants and employees.

Marketing: Diversity attracts.
Diverse workforces can better adapt to different target groups and foreign markets. Every customer needs a suitable counterpart.

Costs: Diversity economizes.
Diversity Management can minimise the leaves of absence and labour turnovers (dismissals, recruitment and new hires) when employees feel valued.

Further Information: Charta der Vielfalt e.V. (2013): Diversity Management. Mehrwert für den Mittelstand. KOFA (2016): Vielfalt im Unternehmen / Diversity Management.

2.1. The benefits of Diversity Management

What makes Diversity Management successful? – 1/2

- **Binding corporate management:** Diversity Management needs the support of the corporate management level, that initiates the implementation (top down). Commitment can be further verified by including the companies overall concept, the company values, an employment agreement, a code of ethics and by signing the Diversity Charter.

- **Involved workforce:** Ultimately, it is the employees who implement Diversity Management (bottom up). This only works if they recognise advantages, can get involved in the process and can give feedback (e.g. workshops, focus groups, networks, etc.).

2.1. The benefits of Diversity Management

What makes Diversity Management successful? – 2/2

- **Holistic diversity strategy:** Diversity Management is not a compilation of individual measures, but should be designed as a holistic strategy. It begins with formulating goals and measures as well as milestone planning. Diversity Management is an ongoing process of change; a cross-sectional task that affects all processes of the organisation from human resources and sales to marketing.
- **Clear business focus:** The Diversity Management strategy must be closely and clearly related to the economic goals of the organisation and must not be considered as a separate topic.
- **Sufficient capacity:** Diversity is not a sure-fire success. Human and financial resources have to be scheduled.

Source: Charta der Vielfalt e.V. (2013): Diversity Management. Mehrwert für den Mittelstand; Charta der Vielfalt e.V. & EY (2016): Studie-Diversity in Deutschland.

2.2. Diversity Management pays off

More and more German organisations are promoting diversity in their workforces

3.500

3.500 companies and institutions have signed the Diversity Charter, a **self-commitment to diversity** that originates from economy.

On May 26, 2020, the Diversity Charter initiates the **8th German Diversity Day**, a nationwide campaign on diversity where organisations can participate in form of individual diversity activities.

In **2019**, **700 organisations** took part and carried out **2.500 activities**. As a result, over **6 million employees** were reached.

All participating organisations can be found on the website.

2.2. Diversity Management pays off

More diversity in companies can reduce the skilled labour shortage and losses in revenue

50 %

of the predicted skilled labour shortage in Germany could be absorbed by human resource diversity in companies according to the consultancy McKinsey.

According to the auditing firm Ernst & Young GmbH, the **loss in revenue of small and medium-sized businesses** alone is already **50 billion euros**.

Source: McKinsey (2015): Why Diversity Matters - New research makes it increasingly clear that companies with more diverse workforces perform better financially.
EY Pressemitteilung (26.01.2017): Fachkräftemangel im Mittelstand spitzt sich zu – Umsatzeinbußen von knapp 50 Milliarden Euro.

2.2. Diversity Management pays off

Companies see measurable success in diversity

69 %

of the signatories and 53 % of German companies are convinced that the success of diversity is measurable and visible.

80 % of companies know that it depends on the voices from the workforce (employee surveys).

“Hard criteria” such as financial indicators are generally considered more appropriate than **“soft”** ones with a stronger personal or qualitative feedback component.

Source: Charta der Vielfalt und EY (2016): Diversity in Deutschland. Studie anlässlich des 10-jährigen Bestehens der Charta der Vielfalt

2.2. Diversity Management pays off

Companies see measurable success in diversity

2 out of 3

German companies say: Diversity brings precise advantages to the organisation.

With 77 % the number of signatories of the Diversity Charter is even higher. However, the fact that 23 % see no advantages through diversity can probably be attributed to individual motives or compliance with legal regulations.

Source: Charta der Vielfalt und EY (2016): Diversity in Deutschland. Studie anlässlich des 10-jährigen Bestehens der Charta der Vielfalt.

2.2. Diversity Management pays off

Diversity in management has been shown to have a positive impact on the innovative capacity of companies

68 %

of companies see a participative leadership as innovational.

For 62 % of companies, fostering a culture of open debate is a key to success.

Four key diversity elements are essential: gender, nationality, professional career path and industry experience.

Source: Boston Consulting Group (2017): The Mix That Matters. Innovation Through Diversity.

2.2. Diversity Management pays off

Companies keep score of diversity in top management levels

+21 %

Companies are 21 % more likely to be **successful above average** if **women** are represented in their **top management levels**.

The effect is particularly visible **in Germany**: with a high proportion of female managers, the probability of above-average business success even **doubles**.

Source: McKinsey&Company: Delivering through Diversity (2018).; McKinsey&Company (2018): Neue Studie belegt Zusammenhang zwischen Diversität und Geschäftserfolg.

2.2. Diversity Management pays off

Diversity Management grants access to a new customer base and new markets

60 %

of the **more than 500 executives who were surveyed** from various industries and companies worldwide, see diversity as an opportunity to gain **access to new markets.**

This is a result of the "International Executive Panel", which includes executives from the EZI online community "Club of Leaders" in Asia, Australia, Europe and North and South America.

Source: Egon Zehnder International (2012): The Leading Edge of Diversity and Inclusion. 11th International Executive Panel.

2.2. Diversity Management pays off

Companies see diversity as a guarantee for the future

>75 %

of signatories and German companies are certain: Diversity helps to ensure the organisation's candidness and compliance. 77 % of respondents think that diversity promotes innovation and creativity.

Diversity Management therefore means to **provide for and securing the future**. For example, 76 % of companies in Germany want to make better use of human resources.

Source: Charta der Vielfalt und EY (2016): Diversity in Deutschland. Studie anlässlich des 10-jährigen Bestehens der Charta der Vielfalt.

2.2. Conclusion:

Diversity Management increases corporate success

- Diversity Management increases the performance, motivation and innovative capacity of employees.
- A diverse corporate environment maintains skilled workers and helps to attract new ones.
- Diversity Management increases the economic success of companies.
- Diverse teams provide access to new markets and customers bases through inter-cultural skills and special know-how.
- Diverse companies are more flexible and can react better and faster to new market conditions.
- Diversity Management ensures a sustainable and versatile transfer of knowledge.
- Diversity Management increases the desirability of companies for potential business partners and enables new ways of cooperation.
- For financial actors and investors, diverse companies can appear more interesting and even be rated higher.

Source: McKinsey & Company (2011): Vielfalt siegt! Warum diverse Unternehmen mehr leisten.; Delivering through Diversity (2018).

3. Diversity Management in practice

3. Diversity Management in practice

Best Practices

DEUTSCHER DIVERSITY TAG 2020
charta der vielfalt
Gefördert durch: Bundesministerium für Arbeit und Soziales | IQ Netzwerk Integration durch Qualifizierung

Gender & Gender-specific identity

Managers with children

- The radio station **Bayerischer Rundfunk** supports future managers with a development programme.
- A special focus is put on mothers-to-be and participants with children. They are supposed to have the same chances of successfully participating in the programme.
- An individual support package enables the exchange with other participants and the possible adaptation of the programme in regards to childcare.

Source: Charta der Vielfalt e.V., Karriere mit Kind; Best Practice

Women's power in IT

- To counter shortage of skilled workers, IT service provider **ConSol** increasingly hires female professionals.
- Flexible working hours and individual solutions enable the combination of family and work.
- The result: the share in women and overall contentment has increased. The return rate for mothers is almost 100 %.

3. Diversity Management in practice

Best Practices

DEUTSCHER DIVERSITY TAG 2020
charta der vielfalt
Gefördert durch: Bundesministerium für Arbeit und Soziales | IQ Netzwerk

Age

Demography-oriented human resource policy

- The Thuringian space company **Jena-Optronik** focuses on demography-oriented staff policy.
- Early measures, such as the introduction of a mentoring programme and the organisation of knowledge transfer, can minimise the loss of knowledge due to the retirement of senior and experienced employees.
- To stabilise and systematize these approaches, employees from the human resource department and work council took part in a "training as a demographic consultant" and received an abundance of new impulses.
- Examples of projects to promote the collaboration between generations are the "Project 55+" and the "Occupational Health Management".

Source: Charta der Vielfalt e.V. (Hrsg.)/ JUNG – ALT – BUNT. Diversity und der demographische Wandel. Online-Dossier. Juni 2012.

3. Diversity Management in practice

Best Practices

Sexual orientation & Identity

Metro Pride Network

- LGBTIQ employees can exchange, network and look for support in the **METRO Pride network.**
- The aim is to reduce discrimination and prejudice throughout the company and to create a better and more open working environment for everyone.
- The increased job satisfaction has a positive impact on performance and productivity

Diverse HR at adidas

- Adidas is one of the most LGBTQI-friendly companies in Germany.
- A collection specially designed for the LGBTIQ Pride Month attracts attention and supports athletes to come out.
- The balanced gender ratio aspired by adidas increases job satisfaction, performance and productivity.

Source: Charta der Vielfalt e.V: METRO Pride – Mitarbeiternetzwerk;
Charta der Viefalt e.V: adidas, Werde Mitglied in einem vielfältigen Team

3. Diversity Management in practice

Best Practices

DEUTSCHER DIVERSITY TAG 2020
charta der vielfalt
Gefördert durch: Bundesministerium für Arbeit und Soziales | IQ Netzwerk

Ethnic origin & Nationality

Diversity in the Hamburg administration

- **The Hamburg administration** aims to increase the proportion of employees with a migration background from **5.4 to 20 %.**
- The goal was achieved with various advertising campaigns, cooperation and events.
- The Hamburg administration is now almost as **diverse as the entire city**. As a total of 34% of Hamburg's population has a **migration background.**

Source: Charta der Vielfalt e.V.(2019): „Wir sind Hamburg! Bist du dabei? – Vielfalt für die Verwaltung"; Charta der Vielfalt e.V. (2013): Dossier: Weltoffen= Zukunftsfähig?!

Teckentrup promotes intercultural exchange

- The company **Teckentrup** with 800 employees consciously **recruits immigrants**.
- Therefore, awareness raising and policy arrangements are necessary.
- German classes, international sport groups and workshops promote intercultural exchange.

3. Diversity Management in practice

Best Practices

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Gefördert durch: Bundesministerium für Arbeit und Soziales | iQ Netzwerk Integration durch Qualifizierung

Disability

Performance knows no handicap

- 45 % of the employees from the social enterprise **AfB gGmbH** are people with disabilities. The focus is on the **ability and skill set** of the employees.
- A three-year training programme is designed for the needs of people with disability.
- The strong growth and the opening of many new locations shows that the strategy is paying off.

Source: *Charta der Vielfalt e.V.*, *Leistung kennt kein Handicap;* *SAP*, *Autism at work*

"Autism at Work" at SAP

- The "Autism at Work" project launched by **SAP** in 2013 integrates autistic people into professional life and thus counteracts the shortage of skilled workers.
- "Autistic people can work well under certain conditions, but they need people who can help them from time to time," says project manager Stefanie Lawitzke.
- The "Autism at Work" initiative by SAP is currently implemented at ten locations in eight countries.

3. Diversity Management in practice

Best Practices

DEUTSCHER DIVERSITY TAG 2020
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Religion & World view

Intercultural calendar

- As a globally operating company, **Deutsche Bahn** employs people with many different religious backgrounds. The intercultural calendar is intended to inform and raise awareness of religious diversity and festivities.
- Public holidays can be taken into account when planning the work schedule. Therefore, intercultural teams encourage employee satisfaction and foster the work potential.

Source: Charta der Vielfalt e.V., Generationen-Tandems und Reverse-Mentoring; Interkultureller Kalender

Interculturality and equality of opportunity

- **Phoenix Contact** emphasises on international "migration" within the company - and thus ensures a cultural and knowledge transfer from which the company also benefits.
- The sponsorship of young people is of high significance for family businesses. With the "Aubikom" project, Phoenix Contact is targeting the expansion of key qualifications and basic skills of secondary modern school pupils.

4. Parameters and Trends

4.1. Demographic change

We are becoming fewer, older and more colourful because of demographic change

- **The population is decreasing**. Fewer and fewer births face more and more deaths: In 2060, there will be almost twice as many 70-year-old people as oppose to children being born. Germany's population will drop to between 73.1 and 67.6 million people.

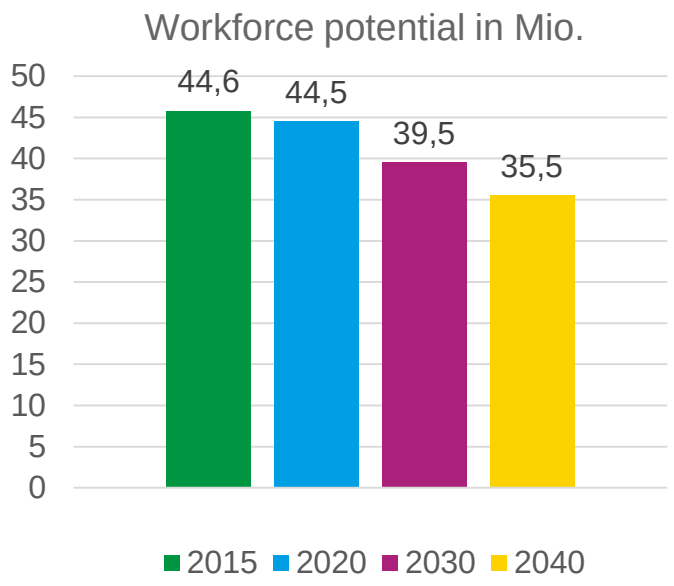
- **The average life expectancy is increasing**. By 2030, the average age of the population will rise from 43 to over 47. The number of people over 80 will increase by around 60 %.

- **The workforce is getting older**. As early as 2020, around 36.5 % of employees in companies will be older than 50 years. Demographic change is already causing problems when it comes to recruiting skilled workers, both for SMEs and larger companies: the supply of skilled workers decreases with increasing qualifications.

Source: Statistisches Bundesamt (2015): Bevölkerung Deutschlands bis 2060; ddn(2017): Demographie Fakten
Charta der Vielfalt e.V. (Hrsg.): JUNG – ALT – BUNT. Diversity und der demographische Wandel. Online-Dossier. Juni 2012.

4.1. Demographic change

The labor market is shrinking as a result of demographic change



Source: IAB (2017), S.5: Arbeitskräfteangebot sinkt auch bei hoher Zuwanderung

Less workforce available

According to calculations by the German Institute for Employment Research (Institut für Arbeitsmarkt- und Berufsforschung, IAB), the **labour force potential** will decrease by 9.1 million people from 2015 to 2040 if there is no additional introduction of workforce.

In order to counteract the effect of demographic change in the long run, an annual **implementation** of **400.000 workers** would be necessary.

4.1. Demographic change

The impact caused by a shortage of skilled workers is already noticeable

- **99 %** of the companies in Germany are small and medium-sized companies (SMEs; with fewer than 250 employees). **Between 31 and 60 %** of SMEs report medium to large problems in filling job openings with specialists.
- According to calculations by the auditing firm Ernst & Young, the **cost for a shortage of skilled workers** in SMEs amounts to **€ 31 billion**.
- Around **430.400 specialists** are currently lacking in the **MINT professions** (mathematics, computer science, natural sciences and technology). By 2020, these professions could be missing up to 1.4 million skilled workers and 156.000 academics.
- There are also shortages amongst **doctors, nurses** and so-called **primary services**. These are simple tasks in retail and in the office, in cleaning or gastronomy.

Source: Statistisches Bundesamt (2015): Bevölkerung Deutschlands bis 2060; ddn (2017): Demographie Fakten
Charta der Vielfalt e.V. (Hrsg.): JUNG – ALT – BUNT. Diversity und der demographische Wandel. Online-Dossier. Juni 2012.

4.1. Demographic change

Apprenticeship companies leave potential untapped

<10 % of companies rely on a specific formation of **age-mixed teams** as well as a systematic **human resource development of older employees**.

Source: Deloitte Counsulting GmbH (2013): Talent & Diversity Management in deutschen Unternehmen.

4.1. Demographic change

The workforce potential is colourful

- **Older employees:** The experience of older generations is under-utilised. A diverse human resource strategy helps to secure know-how.
- **People with disabilities:** The unemployment rate of people with disabilities fell significantly to 12.4 % in 2017. However, people with disabilities are unemployed 109 days longer on average than people without disabilities.
- **Women:** In June of 2016, 47 % of all woman who payed social security contributions worked part-time.
- **Foreign specialists:** German employers rarely recruit specialists from abroad - even if they already have shortages.
- **People with a migration background:** People with a migration background are more often unemployed in the Old Federal States (42 %) than in the newly formed German-states (18 %). If one extracts the federal capital in eastern Germany, the proportion of unemployed people with a migration background is only 10 %.

Source: Bundeszentrale für politische Bildung (2016): Die Interessen der Unternehmen: Personalpolitik und ältere Arbeitnehmer; OECD-Studie (2013): Zuwanderung ausländischer Arbeitskräfte: Deutschland; FAZ Online: Wie die Flüchtlinge den Arbeitsmarkt aufmischen. Statistisches Bundesamt (2016): Arbeitsmarkt auf einen Blick; Blickpunkt Arbeitsmarkt (2017): Die Arbeitsmarktsituation von Frauen und Männern 2016; Der Arbeitsmarkt in Deutschland (2017): Menschen mit Migrationshintergrund auf dem deutschen Arbeitsmarkt.

4.1. Demographic change

Diversity management optimises the cooperation between young and old and makes companies more attractive as employers

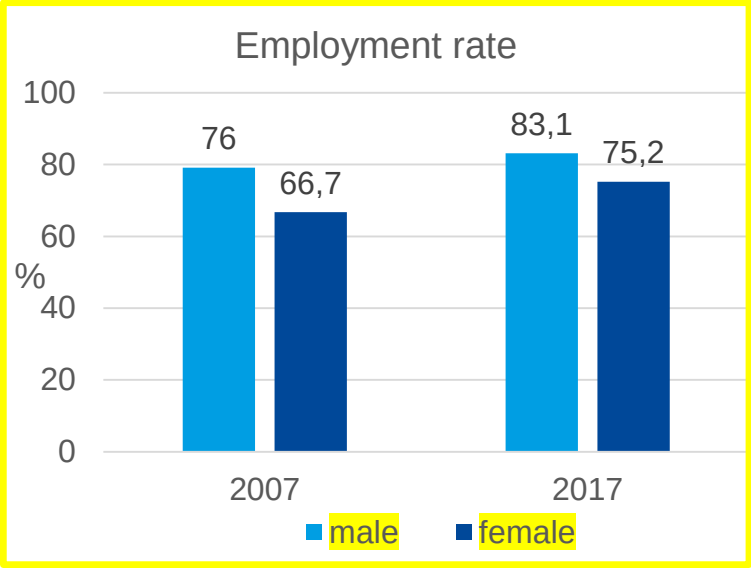
Opportunities for companies and institutions

- In **management-tandems**, senior employees can pass on their work experience to younger ones, so that the company **does not lose any valuable knowledge**. Vice versa, digital natives that have grown up with computers, mobile phones and other digital technologies, assist older colleagues.
- Through **training**, managers can learn to react to expectations and capabilities of employees of different ages and to reinforce their strengths.

Source: Robert Half (2011): Viele Generationen - ein Team. Wie man Mitarbeiter unterschiedlicher Altersgruppen bindet;
RKW Kompetenzzentrum: Die Mischung macht's – Wilhelm Gienger in Mannheim.

4.1. Demographic change

Women are catching up in employment rates, but earn less than men



Between 2007 and 2017, the employment rate of women aged 20 to 64 rose by **8.5 %**.

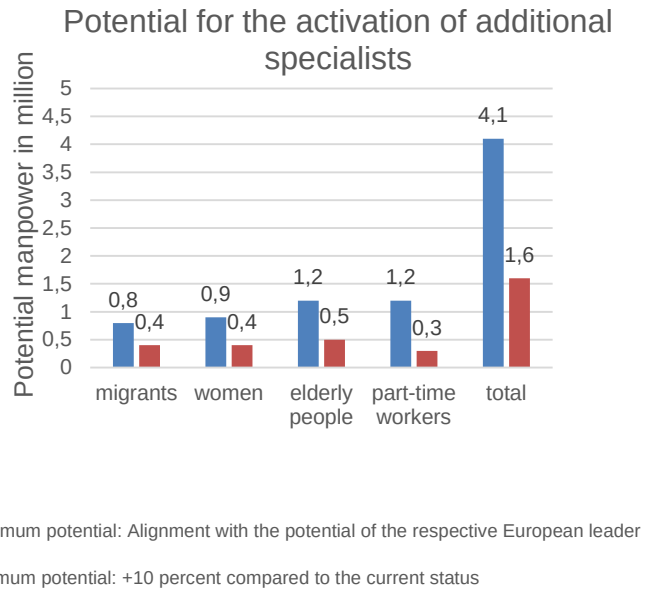
In 2017, men still continued to work more often than women (75.2 %) with a rate of 83.1 %. As a result, the gap between working men and women could **only** be reduced by **1.4 %** between 2007 and 2017.

In Germany, women earn **around 20 % less** than men.

Source: Bertelsmann Stiftung (2015): Auswertung aus dem Datenportal „Wegweiser Kommune; Statistisches Bundesamt (2016): Arbeitsmarkt auf einen Blick; Statistisches Bundesamt (2016): Gender Pay Gap, Statistisches Bundesamt (2018): Erwerbstätigenquote nach Geschlecht.

4.1. Demographic change

Diversity management could activate up to 4 million additional workers



According to studies by the Federal Employment Agency (BA), the German labour market still has **unused skilled labour forces**.

In the target groups and fields of action that Diversity Management is active in, the BA estimates the potential for to be activated skilled workers from **1.6 to 4 million people**.

Measures such as age-appropriate workplaces, offers to combine family and work or to create a welcoming culture (among other things) can help to activate the potential, according to the Federal Employment Agency.

Source: Bundesagentur für Arbeit (2011): Perspektive 2025: Fachkräfte für Deutschland. (Eigene Darstellung auf Grundlage der in der Quelle angegebenen Zahlen).

4.2. Digitisation

New Work: A trend is changing the world of work

- New Work describes the structural changes and their effects on our working world. The most important influential factors are **digitisation** and increasing **international networking**.

- The integration of new work measures helps to respond to the **individual needs** of employees. Employees with children can make their working hours more flexible or intercultural teams can improve communication with international customers.

- Flexible working hours and conditions, personal **self-fulfilment** and a **balance between work and private life** are becoming increasingly important.

- Companies that use the potential of New Work are particularly attractive on the job market.

Source: Haufe Akademie (2020): New Work. Warum ist die Zeit jetzt reif?

4.2. Digitisation

Different values come together in the daily work routine

	Traditionals 1922-1955	Babyboomer 1955-1969	Generation X 1965-1980	Generation Y 1980-2000	Generation Z From 2000
Devise	Work first!	Live to work!	Work to live!	Live@work!	YOLO!
Communication	face-to-face	Phone	Email, Mobile	Web 2.0	Digital Native
Motivation	- Position counts - Respect for their commitment - Recognition of their experience	- Appreciation of their experience - The feeling of being needed	- Freedom in the work structure - Development opportunities - Work-Life-Balance	- Having fun at work - To contribute - Colleagues with the same mindset - networking	- Serious - Diligent - Driven by traditional success criteria (Money, Education, Career)
Work time	9 to 5	Long working hours = success	You leave, when the work is done	No categorial separation between life and work	No Work-Life-Blending
A good leader	Shows a clear direction	Will always be there for the team	Is trustworthy and competent	Supports as advisor and mentor	Places trust in competence and individual responsibility

4.2. Digitisation

Balance is a priority for young workers

54 %

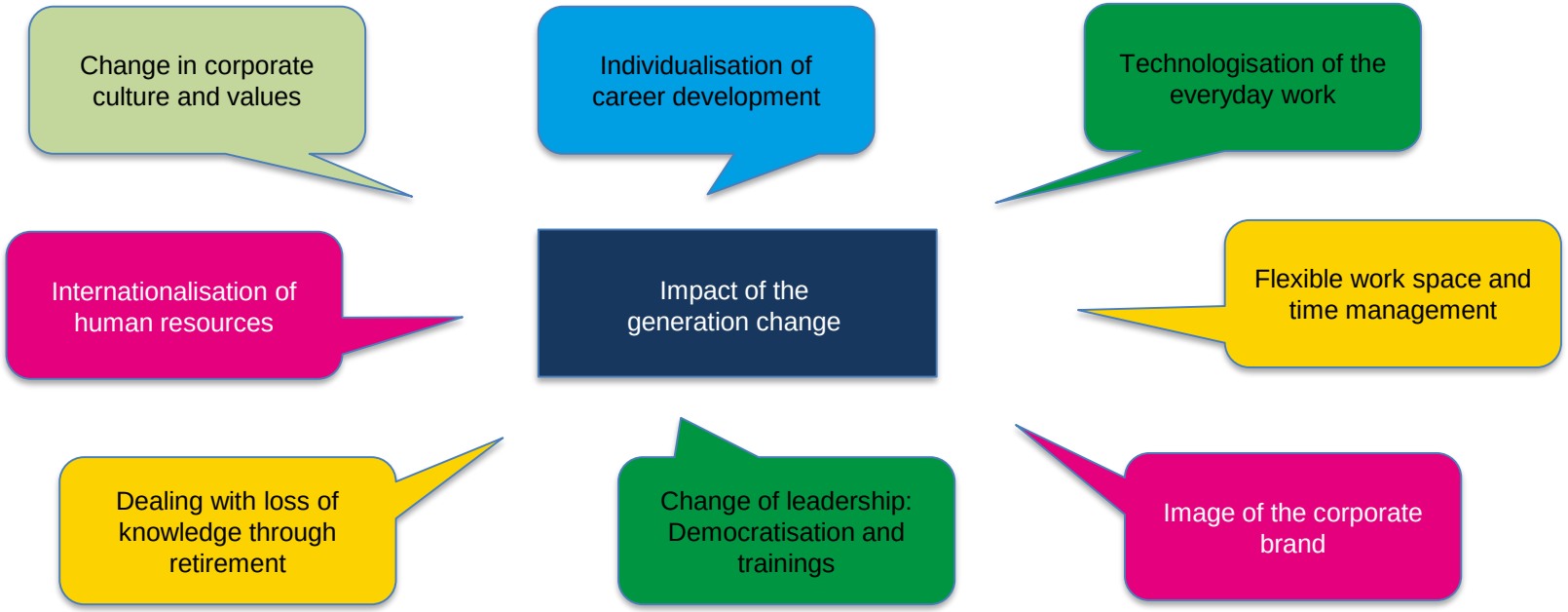
of **top young talents** state that work-life balance is one of the **most important career goals**.

85.6 % of Germans are asking for improved home office opportunities to make better use of their time. So far, only 11 % of people work regularly from home.

Source: Charta der Vielfalt (2018): Kaleidoscope – Wie wir uns die Zukunft organisieren.

4.2. Digitisation

Organisations must outline the shift in values and define know-how transfers



4.2. Digitisation

Using digitisation as an opportunity

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Gefördert durch: Bundesministerium für Arbeit und Soziales | IQ Netzwerk Integration durch Qualifizierung

2030

By 2030, technical assistance and tutoring systems are to be developed to such an extent that they can **digitally support employees** in their tasks.

Assistance systems for people with disabilities, language systems for immigrants and **tutoring programs** for vocational trainings are conceivable.

- **Artificial intelligence** (AI) is a ray of hope to **overcome unconscious bias** in application processes. The aim is to invite more qualified women and people with a migrant background to interviews.

- **Reproduction of uneven structures:** Artificial intelligence learns from given data. Conclusions which come out as discriminating must be unlearned by the system.

Source: Wischmann, Hartmann. *(2018): Zukunft der Arbeit – Eine praxisnahe Betrachtung, S.159ff ; Zeit Online (2015): Künstliche Intelligenz diskriminiert (noch)*

4.2. Digitisation

New potential creates new requirements

>80 %

of the employees surveyed expect an **increasing demand** in qualifications and flexibility due to digitalisation.

Around **65 %** of employees expect increasing content/technical **flexibility**.

In addition, employees hope for greater transparency and a **strengthening of the competitive ability** in Germany and as well as an **increase in productivity**.

Source: Ifaa Studie (2015): Industrie 4.0.

4.2. Digitisation

Artificial intelligence is suppose to make suggestions, but not decisions

6 out of 10 students and graduates surveyed would favour it, if an **algorithm** would **suggest jobs** that would fit their own requirements.

However, only 10 % agree to a communication via **chatbots**.

The acceptance of algorithms to **preselect** applications is even lower.

Source: personalmarketing2null.(2018): Robot Recruiting: Künstliche Intelligenz stößt bei Bewerbern auf wenig Gegenliebe.

4.3. Societal change

Social developments in Germany: xenophobia is increasing

1664

racist offenses were committed in 2018. In 2017 there were only 400.

55 %

- Xenophobia and racist violence have increased in recent years.
- Diversity management and the creation of a tolerant and inclusive work environment are therefore all the more important.
- This can reduce prejudices and overcome communicational barriers.
- Diverse teams often work more productively and creatively.

Even in private, many people are campaigning for a diverse and open society: 55 % of the population aged 16 and over have campaigned for refugees in Germany since 2015.

Source: Charta der Vielfalt e.V. (2013): Diversity Management. Mehrwert für den Mittelstand.; KOFA (2016): Vielfalt im Unternehmen / Diversity Management.; Tagesschau.de (2019) „Massives Problem“ von rechts; BMFSFJ (2018): Studie zeigt: Viele Menschen engagieren sich freiwillig für Flüchtlinge.

4.3. Societal change

Companies do business internationally

20 %

of the approximately 3.6 million SMEs have exported in 2017, generating an average of 27 % of their total turnover.

The development of new target markets - in Asia or elsewhere - reduces the risk of a company suffering a drop in sales in the event of a negative exogenous shock in one of the target countries.

Source: KfW Bankengruppe (2017), KFW Research. Fokus Volkswirtschaft: „Die Welt ist kein Dorf – räumliche Nähe zu Exportmärkten für Mittelstand entscheidend“.

4.3. Societal change

Organisations need intercultural skills to be successful abroad

One gesture, many meanings

Japan = Money
Russia = 0
England, USA = O.K.
Brazil = Insult

Not only **language skills**, but **also knowledge of culture and manners** are important for organisations in order to successfully shape foreign relationships.

Employees from **different cultural backgrounds** can introduce these skills to the organisation by maintaining business contacts abroad or by sharing their knowledge with other employees.

Teams in **sales, marketing or product development** as well as **corporate management** benefit from the employees' intercultural skills.

Source: RKW Kompetenzzentrum (2013): Fachkräfte aus dem Ausland: Chancen & Risiken der Auslandsrekrutierung .

4.3. Societal change

Companies benefit in various areas if they specifically promote cultural diversity through diversity management

- Employees who gain international experience **acquire intercultural skills** that they can use in many areas of the company, such as exports and marketing.
- A diverse workforce knows the challenges that **sales markets** and customer groups bring with them due to cultural differences.
- Diverse teams can **target new lucrative markets**.
- Companies that are internationally in demand as employers can draw from a **global pool of talents** and promote their employees internationally.
- Diverse teams benefit from their different backgrounds, experiences and perspectives. They bring informed decisions, creative approaches and **innovative developments** to the table.

Source: Roland Berger Strategy Consultants (2012): Diversity & Inclusion. Eine betriebswirtschaftliche Investition; McKinsey&Company (2018): Delivering through Diversity.

5. The Diversity Charter

Agenda setting for Diversity Management in Germany

5. The Diversity Charter

The Diversity Charter sets diversity themes

Our goals are:

- **Anchoring diversity** in business and society.
- The development of goal- and service oriented strategies to promote and develop diversity into all sphered.
- Inform about the **backgrounds, arguments, developments and opportunities** of diversity management.
- Link companies and organisations that implement Diversity Management and promote **the exchange of innovative ideas.**
- Link company networks more **regionally**.
- Attract more companies and organisations to implement the principles of the **Diversity Charter**.

5. The Diversity Charter

Our strong network continues to grow

2020: The charter has 3,500 signatories. The **8th German Diversity Day** will take place on May 26, 2020.

2018: The charter initiates the **DIVERSITY CHALLENGE** competition for young employees and the “Flag for Diversity” campaign.

2016: The Charter celebrates its **10 year anniversary**. Nationwide, 10 diversity workshops are organised on different aspects of diversity.

2015: The association sets up the “**Diversity Charter Round Table on Refugee Relief**”.

2013: The association initiates the **1st German Diversity Day** - 240 organisations with 2 million employees take part in campaigns all over Germany.

2012: Together with the newspaper Tagesspiegel, the association holds the **"Diversity conference”** for the first time in November. The conference still takes place annually.

2010: **The Diversity Charter** is founded and takes over the operational and content design of the network.

2006: Four companies initiate the Diversity Charter based on the “Charte de la diversité” from France. Over the next four years, the Federal Government Commissioner for Migration, Refugees and Integration will oversee the charter and integrate it into the "Diversity as an opportunity" **campaign**.

5. The Diversity Charter

Organisations are committed to diversity

charta der vielfalt

Diversity as a Chance – The Corporate **Charter of Diversity** for Germany

The diversity of modern society, influenced by globalisation and reflected in demographic changes, is affecting economic life in Germany. We have come to realize that we can only be successful economically if we acknowledge and leverage the existing diversity. That includes the diversity of our workforces and the diverse needs of our customers and other business partners. Diverse competencies and talents on the part of staff open new opportunities for innovative and creative solutions.

The implementation of the Charter of Diversity in our organisation aims at creating a work environment free of prejudice. We deeply respect all colleagues irrespective of gender, nationality, ethnic background, religion or worldview, disability, age, and sexual preference and identity. Appreciation and promotion of these diverse potentials produce economic benefits for our organisation.

We foster an atmosphere of acceptance and mutual trust. This will have positive effects on our reputation with our partners and customers in Germany and in other countries in the world.

In the framework of this Charter we are committed to

1. fostering a corporate culture characterised by mutual respect and appreciation of every single individual. We seek to create conditions such that everyone (superiors and co-workers) respects, practices and acknowledges these values. This will require explicit support from leaders and superiors.
2. validating and ensuring that our human resource processes are compatible with the diverse competencies, abilities and talents of our employees, as well as with our own performance standards.
3. recognising the diversity of society inside and outside our organisation, appreciating the intrinsic potential residing in it, and endeavouring to utilise it profitably for our business or organisation.
4. ensuring that the implementation of the Charter will be a subject of internal and external communication.
5. publicizing on an annual basis our own activities and progress in promoting diversity.
6. and keeping our own employees and colleagues informed about diversity and actively involved in implementing the Charter.

We are definitely convinced that practicing and appreciating diversity will have a positive impact on German society. We welcome and support this business initiative!

Organisation

Minister of State Aydan Özoğuz
Federal Government Commissioner for Migration, Refugees and Integration

- Cultivate an **organisational culture** that is defined by mutual respect and appreciation of each individual.
- Review **of HR processes**.
- Recognise **society's** diversity inside and outside the company **and appreciate the potential** in it.
- Make the implementation of the charter a topic within **internal and external dialogues**.
- Provide **annual public information** about activities and progresses.
- Inform and involve the **employees** in the implementation.

5. The Diversity Charter

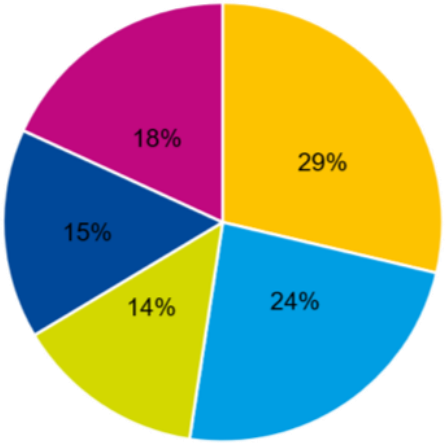
Diversity Charter - the largest network for diversity in the world of work

>13 Mio

- **Over 13.5 million people** work in organisations that have signed the Diversity Charter.
- Around 3.500 **signatories** form the network.
- **Chancellor Angela Merkel** is the patron.
- **27 of the Dax 30 companies** are signatories.
- **9 out of the 10 largest cities** in Germany are part of the signatories.
- **15 federal states** support the Diversity Charter.
- The registered society Charta der Vielfalt supports and coordinates the initiative.

5. The Diversity Charter

Almost 70 percent of signatories come from the private sector



- Small businesses
- Medium-sized companies
- Large companies
- Public facilities
- Associations, unions, foundations

5. The Diversity Charter

Almost 70 percent of signatories come from the private sector

The Charta der Vielfalt e.V. is currently supported by 31 well-known companies and institutions, as well as supported by the commissioner of the federal government for migration, refugees and integration.

DEUTSCHER DIVERSITY TAG 2020
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Gefördert durch: Bundesministerium für Arbeit und Soziales | IQ Netzwerk Integration durch Qualifizierung

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